

Regular Session, 2012

SENATE BILL NO. 571

BY SENATORS MILLS, CORTEZ AND PERRY AND REPRESENTATIVES BARRAS,
STUART BISHOP, CHAMPAGNE, HARRISON, HUVAL, NANCY
LANDRY, MONToucET, ORTEGO AND ROBIDEAUX

HOSPITALS. Provides for health care service districts. (8/1/12)

AN ACT

To enact Chapter 10-D of Title 46 of the Louisiana Revised Statutes of 1950, to be
comprised of R.S. 46:1191 through 1198, relative to health care service districts; to
provide the authority to create health care service districts; to provide for governing
boards for health care service districts; to provide for governing board's membership,
appointment, terms, and compensation; to authorize districts to levy taxes and incur
debt and issue and sell bonds; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 10-D of Title 46 of the Louisiana Revised Statutes of 1950,
comprised of R.S. 46:1191 through 1198, is hereby enacted to read as follows:

CHAPTER 10-D. HEALTH CARE SERVICE DISTRICTS

§1191. Legislative intent

**It is the intent of the legislature to allow the governing authorities of
parishes, upon their own initiative, to form and create one or more health care
service districts within the respective parishes, or with agreement among the
governing authorities of the parishes concerned, to combine two or more
parishes into a single health care service district with such names as the**

governing authorities of the parishes may designate, and, in so doing, the governing authorities of the parishes may create health care service districts whose boundaries overlap those of other health care service districts to support the provision of inpatient and outpatient health care services through the facilities operated by LSU Health, as defined in this Chapter.

§1192. Definitions

As used in this Chapter and unless the context clearly requires otherwise:

(1) "Board of supervisors" means the Louisiana State University and Agricultural and Mechanical College Board of Supervisors.

(2) "Department" means the Department of Health and Hospitals.

(3) "District" means health care service district authorized in this Chapter.

(4) "Governing board" means the governing board of the health care service district.

(5) "LSU Health" means the office of health affairs and medical education within the Louisiana State University and Agricultural and Mechanical College System Office under the Louisiana State University and Agricultural and Mechanical College Board of Supervisors that manages the delivery of medical education and health services at the three Louisiana State University and Agricultural and Mechanical College's health systems institutions - Louisiana State University Health Care Services Division, Louisiana State University Health Sciences Center at New Orleans, and Louisiana State University Health Sciences Center at Shreveport.

(6) "Secretary" means the secretary of the Department of Health and Hospitals.

§1193. Authority

A. The governing authorities of the parishes, upon their own initiative, are authorized and empowered to form and create one or more districts within

the respective parishes, or with agreement among the governing authorities of the parishes concerned, to combine two or more parishes into a single district with such names as the governing authorities of the parishes may designate.

B. The governing authorities of the parishes may create districts whose boundaries overlap those of other districts to support the provision of inpatient and outpatient health care services through the facilities operated by LSU Health.

§1194. Purpose

The purpose of the districts and the governing boards created under the provisions of this Chapter shall be:

(1) To identify local public sources of revenue or expenditure that may be used by the department as state match to draw down federal matching funds for the provision of health care services provided through LSU Health for the low income and uninsured population of the district.

(2) To participate, so far as circumstances may warrant, in any activity designed and conducted to promote the general health of the community.

(3) To promote and support graduate medical education activities of LSU Health in the respective communities with an LSU Health institution.

(4) To cooperate with other institutions and agencies engaged in providing hospital and outpatient health services to residents of the district for the purpose of improving access to care for residents of the district.

§1195. Powers and duties of governing board

A. In addition to the duties defined elsewhere in this Chapter, the governing board shall have the duty and authority:

(1) To represent the public interest in supporting health care services in the district.

(2) To advise LSU Health on issues concerning the provision of health care services provided through LSU Health for the low income and uninsured population of the district. Nothing herein shall bind the administration of an

1 LSU Health institution to expend the funds identified in this Chapter in a
2 manner that it deems in conflict with ensuring the efficient and effective
3 delivery of health care services in the district.

4 (3) To conduct public hearings and share public input on the
5 community's priorities for the provision of health care services in the district.

6 (4) To appoint the necessary standing and special committees that may
7 be necessary to carry out the purposes of this Chapter.

8 (5) To borrow monies for the district under the terms and conditions
9 established by the board.

10 (6) To incur debt and issue general obligation bonds for the purpose of
11 financing construction of capital projects for the purposes provided in this
12 Chapter subject to approval of the State Bond Commission and the approval of
13 a majority of the electors of the district voting on the proposition in a regularly
14 scheduled election held for that purpose in accordance with the Louisiana
15 Election Code. Such bonds shall be issued pursuant to the provisions of Part III
16 of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, and shall be
17 sold pursuant to the provisions of Chapter 13 of Title 39.

18 (7) For public purposes of the district, to enter into contracts,
19 agreements, or cooperative endeavors with the state and its political
20 subdivisions and with any public or private association, corporations, business
21 entity or person.

22 (8) To enter into agreements with LSU Health for the provision of health
23 care in the district for the low income and uninsured population of the district.
24 Any agreements shall include but shall not be limited to the following:

25 (a) Identification of local recurring public funds eligible for federal
26 match for the provision of health care services through LSU Health for the low
27 income and uninsured population of the district.

28 (b) Detailed plans for the provision of medical services made possible as
29 a result of the local funds.

1 B. The secretary of the department shall review each such agreement,
2 including a plan for the use of state Medicaid and disproportionate share
3 dollars. If the secretary finds that the agreement and plans are sufficient to
4 support medical care for low income and uninsured population of the district
5 and the funds are eligible for federal matching funds to be reimbursed through
6 LSU Health, the secretary shall take all appropriate action, together with other
7 state and federal officials, to provide the funds to LSU Health as provided in the
8 agreement.

9 C. The board of supervisors shall review and approve each agreement,
10 including the plans for use of the local and federal matching funds to ensure
11 that the operations, services, and graduate medical education provided through
12 LSU Health in the district are consistent with the goals and mission of LSU
13 Health.

14 D. The governing board shall collect or cause to be collected all public
15 monies identified by the district for the purpose of serving as state match for
16 federal matching funds to ensure the provision of health care services delivered
17 by LSU Health for the low income and uninsured population of the district.

18 E. The department shall then make available for reimbursement these
19 local and federally matched funds to the LSU Health facility in the district to
20 ensure the continued provision of health care services for the low income and
21 uninsured population of the district.

22 F. The division of administration shall ensure that sufficient budget
23 authority is granted to LSU Health to expend the funds allocated through the
24 provisions of this Chapter.

25 G. Neither LSU Health nor the division of administration nor the
26 department shall displace, replace, or supplant state appropriations from the
27 state general fund or other state funds designated for an LSU Health institution
28 or facility within a district as a result of the provision of local funds.

29 H. The governing board shall submit any reports or information to LSU

1 Health, the secretary of the department or the Senate and House committees on
2 health and welfare upon request of LSU Health, the secretary or the chairman
3 of either committee.

4 I. Nothing herein shall sever the management or operation of the
5 hospitals from the LSU Health System and the graduate medical education
6 training programs supported by LSU Health Sciences Center at New Orleans
7 or LSU Health Sciences Center at Shreveport.

8 **§1196. Taxation**

9 A. The governing authorities of the parishes are hereby authorized to
10 levy and collect a tax on the dollar assessed valuation of all property within the
11 district. The amount of the tax and the number of years of its assessment shall
12 be set by a majority vote of the governing board of the district.

13 B. The tax shall be imposed only after the question of its imposition has
14 been approved by a majority of the registered voters of the district voting on the
15 proposition at an election held for that purpose in accordance with the
16 Louisiana Election Code. Such election shall be on a regularly scheduled
17 election date.

18 C. The election shall be called by the governing authorities of the
19 parishes upon written request by the board of the district. The request by the
20 board to the governing authorities shall specifically state the amount of the
21 millage and the number of years as voted on by the board of the district.

22 D. If approved, the tax shall expire after the number of years specified
23 in the proposition, but the tax may be renewed if approved by a majority of the
24 registered voters of the district voting on the proposition at a subsequent
25 election held as provided in Subsection B of this Section.

26 E. The tax shall be collected at the same time and in the same manner as
27 ad valorem taxes are collected by the parishes.

28 F. Any tax which is unpaid shall be added to the tax rolls of the parish
29 governing authorities and shall be enforced with the same authority and subject

1 to the same penalties and procedures as unpaid ad valorem taxes.

2 G. The parishes shall remit to the district all amounts collected pursuant
3 to this Subsection not more than sixty days after collection. However, the
4 parishes may retain one percent of the amount collected as a collection fee.

5 H. The proceeds of the tax shall be used solely and exclusively for the
6 purposes and benefit of the district.

7 §1197. Governing board; membership; appointment; terms; compensation

8 A. For districts created pursuant to this Chapter, each district shall be
9 governed by a board whose membership consists of residents of the respective
10 districts. The number of members on the board shall consist of one
11 representative from each parish in the region who is appointed by the parish
12 governmental authority. If an even number of parishes form a district, the
13 governing authority of each parish within that district shall submit a name of
14 a resident of the submitting parish to the board of supervisors, and the board
15 of supervisors shall choose from the submitted names a member for the
16 district's governing board. In the event the district is made up of only one
17 parish, the governing authority of the parish shall select three residents of the
18 parish to be members of the governing board.

19 B. All appointees shall serve terms of three years. No board member
20 shall serve more than two three-year terms consecutively.

21 C. A vacancy on a governing board shall be filled in the same manner as
22 its selection for the remainder of its term.

23 D. Each board member shall serve without compensation but shall be
24 reimbursed for expenses and mileage at the same rate set by the division of
25 administration for state employees for each day in actual attendance at board
26 meetings or for representing the board in an official board-approved activity.

27 E. The chairman shall be elected by a majority vote of the board. The
28 term of the chairman shall be established under the board's bylaws.

29 F. The board shall adopt bylaws to provide for the governance of the

board within ninety days of being established. Such bylaws shall include but not be limited to:

(1) Procedures for the election of board officers, including terms of office and methods and grounds for removal. Board officers shall include, at a minimum, a chairman, treasurer, and secretary.

(2) Procedures and grounds for the removal of any board member. Grounds for removal shall include the conviction of a felony. Grounds for removal may include failure to meet board attendance as provided in the bylaws.

G. All board members of the district shall be subject to the Code of Governmental Ethics. No member of the board or of his immediate family shall own or have any interest in any public or private organization, business, company, or entity conducting business of any kind with the district.

§1198. Applicability

The provisions of this Chapter shall not apply to the following:

(1) Operation and management of any facility under the jurisdiction of LSU Health.

(2) Operation, management, and performance of functions and services relating to graduate medical education provided by LSU Health.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Christopher D. Adams.

DIGEST

Proposed law provides for health care service districts.

Proposed law provides that governing authorities of parishes, upon their own initiative, may form and create one or more districts within the respective parishes, or with agreement among the governing authorities of the parishes concerned, to combine two or more parishes into a single district with such names as the governing authorities of the parishes may designate. **Proposed law** provides that governing authorities of the parishes may create districts whose boundaries overlap those of other districts to support the provision of inpatient and outpatient health care services through the facilities operated by LSU Health.

Proposed law provides the purposes of the health care service districts and the districts' governing boards.

Proposed law provides the governing board shall have the duty and authority:

1. To represent the public interest in supporting health care services in the district.
2. To advise LSU Health on issues concerning the provision of health care services provided through LSU Health for the low income and uninsured population of the district. Nothing herein shall bind the administration of an LSU Health institution to expend the funds identified in this Chapter in a manner that it deems to be in conflict with ensuring the efficient and effective delivery of health care services in the district.
3. To conduct public hearings and share public input on the community's priorities for the provision of health care services in the district.
4. To appoint the necessary standing and special committees that may be necessary to carry out the purposes of proposed law.
5. To borrow monies for the district under the terms and conditions established by the board.
6. To incur debt and issue general obligation bonds for the purpose of financing construction of capital projects for the purposes provided in proposed law subject to approval of the State Bond Commission and the approval of a majority of the electors of the district voting on the proposition in a regularly scheduled election held for that purpose in accordance with the Louisiana Election Code. Such bonds shall be issued pursuant to the provisions of Part III of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950 and shall be sold pursuant to the provisions of Chapter 13 of Title 39.
7. For public purposes of the district, to enter into contracts, agreements, or cooperative endeavors with the state and its political subdivisions and with any public or private association, corporations, business entity or person.
8. To enter into agreements with LSU Health for the provision of health care in the district for the low income and uninsured population of the district. Any agreements shall include but shall not be limited to the following:
 - (a) Identification of local recurring public funds eligible for federal match for the provision of health care services through LSU Health for the low income and uninsured population of the district.
 - (b) Detailed plans for the provision of medical services made possible as a result of the local funds.
9. To levy and collect ad valorem taxes.

Proposed law provides for the governing boards of the districts and additionally provides for the membership, appointment, terms, and compensation of board members.

Effective August 1, 2012.

(Adds R.S. 46:1191-1198)